

Attorney or Party Name, Address, Telephone & FAX Numbers, and California State Bar Number Jay L. Michaelson, Esq., Bar No. 39774 Michaelson, Susi & Michaelson 7 West Figueroa Street, Second Floor Santa Barbara, CA 93101 (805) 965-1011 (805) 965-7351 (fax)	FOR COURT USE ONLY
UNITED STATES BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA	
In re: TED BARRON, Debtor(s).	CASE NO.: ND 02-10033-RR <div style="border: 1px solid black; padding: 5px; text-align: center;"> FILED NOV 27 2002 </div>

NOTICE OF SALE OF ESTATE PROPERTY

Sale Date: 1/7/03	Time: 10:00 a.m.
Location: 1415 State Street, Courtroom 201, Santa Barbara, CA	

Type of Sale: ☒ Public ☐ Private Last date to file objections: 12/24/02

Description of Property to be Sold: 21-acre parcel of unimproved real property located at 1531 Tierra Rejada in the City
 Simi Valley, County of Ventura, State of California

Terms and Conditions of Sale: See attached Motion

Proposed Sale Price: See attached Motion

Overbid Procedure (If Any):

If property is to be sold free and clear of liens or other interests, list date, time and location of hearing:

Contact Person for Potential Bidders (include name, address, telephone, fax and/or e:mail address):

Jay L. Michaelson
 Michaelson, Susi & Michaelson
 7 West Figueroa Street, Second Floor
 Santa Barbara, CA 93101
 (805) 965-1011 (805) 965-7351 (fax) jay@msmlaw.com

Date: November 27, 2002

1 MICHAELSON, SUSI & MICHAELSON

2 A Professional Corporation

3 ATTORNEYS AT LAW

4 SEVEN WEST FIGUEROA STREET, SECOND FLOOR

5 SANTA BARBARA, CALIFORNIA 93101-3191

6 Telephone: (805) 965-1011

7 Facsimile: (805) 965-7351

8 JAY L. MICHAELSON, ESQ., Bar No. 39774

(SPACE BELOW FOR FILING STAMP ONLY)

9 Attorneys for Chapter 11 Trustee, Jerry Namba

10 UNITED STATES BANKRUPTCY COURT

11 CENTRAL DISTRICT OF CALIFORNIA, NORTHERN DIVISION

12 In re

13 TED BARRON,

14 Debtor.

) BK No. ND 02-10033-RR

) Chapter 11

) NOTICE OF MOTION AND MOTION FOR
) ORDER AUTHORIZING SALE OF
) ESTATE ASSETS AND DECLARATIONS
) OF FRANK KLOSTER AND WILLIAM A.
) KING IN SUPPORT THEREOF

) Date: January 7, 2003

) Time: 10:00 a.m.

) Place: 1415 State Street

) Courtroom 201

) Santa Barbara, CA

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20 TO THE UNITED STATES TRUSTEE, CREDITORS, ALL PARTIES
21 REQUESTING SPECIAL NOTICE, AND OTHER PARTIES IN INTEREST:


22 PLEASE TAKE NOTICE that at the time and place set forth
23 above, Jerry Namba, the Chapter 11 Trustee in the above-captioned
24 Chapter 11 case, will move the Honorable Robin Riblet, United
25 States Bankruptcy Judge, for an order authorizing him to sell the
26 estate's right, title and interest in certain real and personal
27 property assets described below pursuant to an agreement with the
28 Debtor and his wife set forth in more detail below.

1 This motion is made pursuant to the provisions of 11 U.S.C.
2 § 363(b)(1) and is based upon this notice of motion and motion,
3 the memorandum of points and authorities in support of the
4 motion, the Declaration of Frank Kloster, and such other evidence
5 as may come before the court at, or prior to, the hearing on the
6 motion.

7 PLEASE TAKE FURTHER NOTICE that any party in interest
8 wishing to oppose the motion shall file a written objection with
9 the court and serve the undersigned at the address set forth
10 above at least fourteen (14) days prior to the date of the
11 hearing and shall otherwise comply with Rule 9013-1(a)(7) of the
12 Local Rules of the United States Bankruptcy Court for the Central
13 District of California. Any objection not timely filed and
14 served may be deemed waived.

15 DATED: November 25, 2002.

16 MICHAELSON, SUSI & MICHAELSON
17 A Professional Corporation

18
19 By 
20 JAY L. MICHAELSON
21 Attorneys for Chapter 11
22 Trustee, Jerry Namba
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1 value of \$1,200,000 (See Declaration of William A. King
2 attached). The River Run Drive property, which is occupied by
3 the Debtor and his wife as their residence, is subject to a
4 senior deed of trust securing a note in the approximate sum of
5 \$1,018,000 and a junior deed of trust securing a note in the
6 approximate amount of \$115,000. The Debtor claims a \$75,000
7 homestead in this property. Movant believes that there is no
8 administrable equity in this property.

9 c. A single-family residence located at 1383 Calle
10 Castano in the City of Thousand Oaks, County of Ventura, State of
11 California, legally described on Exhibit "C" attached hereto (the
12 "Calle Castano property"), valued by the Debtor at \$350,000. The
13 Debtor operates a licensed six-bed elder care facility on this
14 property. The Calle Castano property is subject to a senior deed
15 of trust securing a note in the approximate amount of \$245,000
16 and a junior deed of trust securing a note in the approximate
17 amount of \$42,000. After costs of sale estimated at \$28,000 and
18 a capital gains tax of \$43,000, Movant believes that there is no
19 administrable equity in this property.

20 d. A single-family residence located at 67 Doone
21 Street in the City of Thousand Oaks, County of Ventura, State of
22 California, legally described on Exhibit "D" attached hereto ("67
23 Doone Street property"), valued by the Debtor at \$320,000. The
24 Debtor operates a licensed six-bed elder care facility on this
25 property. The 67 Doone Street property is subject to a senior
26 deed of trust securing a note in the approximate amount of
27 \$231,000 and a junior deed of trust securing a note in the
28 approximate amount of \$71,000. After costs of sale are

1 | considered, there is no administrable equity in this property.

2 | e. A single-family residence located 51 Doone Street
3 | in the City of Thousand Oaks, County of Ventura, State of
4 | California, legally described on Exhibit "E" attached hereto ("51
5 | Doone Street property"), valued by the Debtor at \$315,000. The
6 | Debtor operates a one-bed elder care facility on this property.
7 | The 51 Doone Street property is subject to deeds of trust
8 | securing notes in the total sum of approximately \$340,000.
9 | Movant believes there is no administrable equity in this
10 | property.

11 | f. A 21-acre parcel of unimproved real property
12 | located at 1531 Tierra Rejada in the City of Simi Valley, County
13 | of Ventura, State of California, legally described on Exhibit "F"
14 | attached hereto (the "Tierra Rejada property"), valued by the
15 | Debtor at \$600,000. Based on the opinion of a real estate sales
16 | agent active in the area where the property is located, Movant
17 | believes that the Tierra Rejada property has a current fair
18 | market value of between \$700,000 and \$725,000. The Tierra Rejada
19 | property is subject to unpaid real property taxes in the amount
20 | of approximately \$18,000 and a senior deed of trust securing a
21 | note in the approximate amount of \$460,000. Movant believes that
22 | there is administrable equity in this property.

23 | 5. In addition to the real property assets referred to
24 | above, the assets of this estate include:

25 | a. The furniture and equipment located at 67 Doone
26 | Street, 51 Doone Street and 1383 Calle Castano utilized by the
27 | Debtor in the operation of the elder care facilities located on
28 | these properties.

1 b. The furniture and furnishings located at the River
2 Run property claimed by the Debtor as exempt.

3 c. The goodwill of the elder care facilities operated
4 by the Debtor on the properties at 67 Doone Street, 51 Doone
5 Street and 1383 Calle Castano.

6 d. Claims for breach of contract, negligence,
7 negligence per se; breach of express warranties; breach of
8 implied warranties; violation of Unfair Practices Act against
9 Liberty Development Co., Liberty Development Company, and James
10 Ange, arising out of the construction of the residence located at
11 13539 River Run Drive. These claims are the subject of an action
12 pending in the Superior Court (Ventura County), Case No. 207542.

13 6. Based upon an analysis by the Trustee's certified public
14 accountant, Frank Kloster, the elder care facilities operated by
15 the Debtor generate net cash flow from operations of
16 approximately \$4,600-\$5,000 per month. As reflected in Mr.
17 Kloster's declaration filed in support of this motion, the
18 expenses of the elder care facilities include insider
19 compensation of \$2,700 per month for the Debtor and his wife,
20 each of whom work full time in running the elder care facilities.
21 The current amount of insider compensation paid to the Debtor and
22 his wife does not reflect the fair value of their services. A
23 more realistic income for the Debtor and his wife, say, \$6,000
24 per month, would reduce net cash flow to \$1,300-\$1,700 per month.

25 7. The Trustee has received an offer from the Debtor and
26 his wife to purchase the estate's right, title and interest only,
27 without warranty or representation, to the following assets of
28 this estate:

1 a. The Kirk Avenue property.
2 b. The Calle Castano property.
3 c. The River Run property.
4 d. The 51 Doone Street property.
5 e. The 67 Doone Street property.
6 f. The furniture and equipment located at 67 Doone
7 Street, 51 Doone Street and 1383 Calle Castano utilized by the
8 Debtor in the operation of the elder care facilities located on
9 these properties.
10 g. The furniture and furnishings located at the River
11 Run property claimed by the Debtor as exempt.
12 h. The goodwill of the elder care facilities operated
13 by the Debtor on the properties at 67 Doone Street, 51 Doone
14 Street and 1383 Calle Castano.
15 8. In exchange for the estate's right, title and interest
16 in the assets referred to in the paragraph immediately above, the
17 Debtor and his wife have agreed:
18 a. That the Trustee shall have the right to market and
19 sell, subject to bankruptcy court approval, the Tierra Rejada
20 property for a period of six months. This agreement is set forth
21 in a stipulation attached hereto as Exhibit "G".
22 b. To execute a promissory note in favor of the
23 Trustee in the amount of \$64,000, payable \$2,000 per month,
24 without interest, commencing 30 days after the entry of the order
25 approving this motion. The promissory note will be secured by
26 junior deeds of trust encumbering the real properties sold to the
27 Debtor and his wife. Debtor and his wife shall have the right to
28 refinance their properties subject to the estate's deeds of trust

1 up to the amount of any existing obligations secured by the
2 properties, including existing arrearages, at any time. Movant
3 agrees to subordinate the estate's junior trust deed in the
4 amount of \$64,000 as necessary to assist Debtor and his wife with
5 respect to any desired refinancing.

6 c. That prior to the entry of the order approving this
7 motion, all income generated, including income from the elder
8 care facilities and the rental income from the Kirk Avenue
9 property, including any income which became due, but was not
10 received, before the entry of the order, shall be administered by
11 the Trustee for the benefit of this estate. The Trustee shall
12 pay all expenses incurred prior to the entry of the order
13 approving this motion whether or not invoices have been received
14 for said goods or services prior to the entry of the order
15 approving this motion. In addition, the Trustee will pay the
16 monthly payments to secured creditors on the same basis that he
17 has made such payments in the past. Any funds remaining after
18 making the payments required by the agreement with the Debtor and
19 his wife shall be general funds of this estate available for
20 payment of unsecured creditors.

21 9. The court may authorize this sale pursuant to the
22 provisions of 11 U.S.C. § 363(b)(1) if the court finds that the
23 proposed sale is in the best interests of the estate and its
24 unsecured creditors.

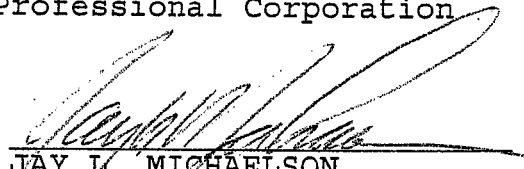
25 10. Movant believes that the proposed sale is in the best
26 interests of this estate and its unsecured creditors in that
27 there is no administrable equity in the real property which
28 Movant proposes to sell. The furniture and equipment utilized in

1 the operation of the elder care facilities is of nominal value,
2 the furniture and furnishings located at the River Run property
3 are the Debtor's exempt property, and the goodwill value, if any,
4 of the elder care facilities is dependent upon the willingness of
5 the Debtor and his wife to provide their services at below market
6 value. In exchange for the assets which would be received by the
7 Debtor and his wife, which Movant believes have no market value,
8 the estate would have the right to immediately market the Tierra
9 Rejada property, would receive a secured promissory note in the
10 amount of \$64,000, and would retain any excess cash remaining
11 after payment of all sale expenses.

12 WHEREFORE, Movant prays for an order of this court
13 authorizing him to sell the real and personal property assets of
14 this estate described above upon the terms and conditions
15 described herein, and to execute any and all documents necessary
16 to consummate the transaction.

17
18 DATED: November 25, 2002.

19 MICHAELSON, SUSI & MICHAELSON
20 A Professional Corporation

21
22 By 
23 JAY L. MICHAELSON
24 Attorneys for Chapter 11
25 Trustee

26 The foregoing motion accurately sets forth the agreement
27 reached between Jerry Namba, the Trustee herein, Ted Barron, the

28 ///

///

FROM : SILBER & PHILIPS LLP

FAX NO. : 818 706 8510

Nov. 22 2002 11:17AM P4

File No. 620 11/22/02 09:17

ID: MICHAELSON, SUSI

FAX: 805 965 7351

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1 Debtor herein, and Halina Barron.

2 DATED: November 22, 2002.

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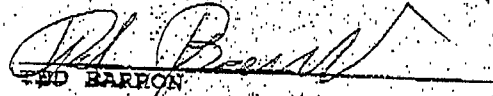
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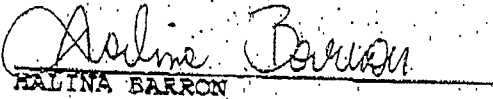
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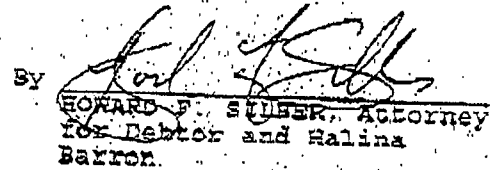
DATED: November 22, 2002.


TED BARRON


HALINA BARRON

DATED: November 22, 2002.

LAW OFFICES OF HOWARD SILBER

By 
HOWARD P. SILBER, Attorney
for Debtor and Halina
Barron.